

20 **24**

**TOP TRENDS
IN BENEFITS**

**A GUIDE TO EMERGING TRENDS SHAPING
THE EMPLOYEE BENEFITS LANDSCAPE**



ArmadaCare[®]

Feel The Benefits

INTRODUCTION

It's that time of year when employers and advisers are looking to take the pulse on what's next in employee benefits. And, whatever changes you've made, embarking on a new plan year can bring the unknown—and perhaps require some adjustment. With benefit flexibility and the right approach, though, you'll be able to fine-tune and keep employees happy, healthy and productive all year long.

Here are the top 5 key trends to watch and the impact they can have on benefits.



TREND #1

Managing
Cost-Sharing



TREND #2

Retaining
Talent



TREND #3

Aligning Benefits
with Employee
Expectations



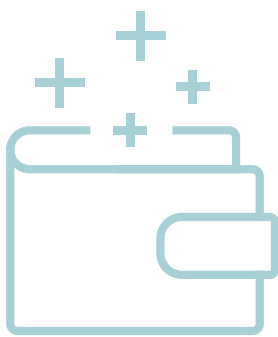
TREND #4

Enhancing
Total Rewards



TREND #5

Protecting
Executive Health
& Productivity



You're familiar with co-pays, co-insurance and deductibles, all tools that employers can use to share healthcare costs with their employees. Employers are turning to cost-sharing for two reasons:

- **To help mitigate health insurance premium increases.** This is important as costs continue to rise. In fact, the average healthcare insurance premium is expected to increase 7% in 2024.¹ Overall, health insurance premium costs have surged 22% since 2018.²
- **To alleviate unnecessary health plan utilization and prevent waste.** Employers must strike the right balance between coverage and cost.

With cost-sharing in play, there is more responsibility for employees to be wise healthcare consumers. When employees must pay expenses toward their deductible or are responsible for a portion of costs through coinsurance, they're more likely to look for and choose cost-saving options when possible.

WHAT'S NEXT?

With the cost-sharing trend increasing, it's even more important for employers to use supplemental healthcare insurance benefits to find the right balance between controlling benefit costs and offering robust enough benefits to retain talent.

If cost-sharing is an important aspect of your benefits strategy, ask about the deductible options on Ultimate Health[®], our executive medical reimbursement plan. You can pair the Ultimate Health deductible with an HDHP with the option to match the qualifying deductible.

BY THE NUMBERS

7% expected increase of the average healthcare premium in 2024
KAISER FAMILY FOUNDATION, 2023

22% increase in the cost of health insurance premiums since 2018
KAISER FAMILY FOUNDATION, 2023



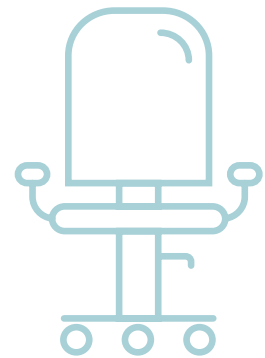
TREND #2

Retaining Talent

It's no secret that the health benefits employers offer affect their ability to attract and retain a competitive workforce. In fact, 90% of business leaders—and 95% at the largest organizations—believe that benefits are critical to attracting and retaining talent.³

- **Benefits are top priority.** Health insurance continues to be the #1 benefit employees value.⁴
- **Companies are focusing on enhancement.** 6 in 10 medium and large companies plan to expand their benefit offerings over the next five years.⁵

With five generations in the workforce, employers are stretching to deliver on age-and-stage needs that keep workers healthy and loyal. In short, the right benefits are vital to business success.



WHAT'S NEXT?

The costs of retaining important employees, or replacing them if they leave, can far exceed the costs of investing in talent-magnet benefits. Benefits focused on whole-employee health can help employers deliver on the needs of a diverse workforce.

Enhancing employee benefits with the right solutions can help employers attract and retain talent. In addition, innovative benefits provide lasting value that can help build relationships and boost loyalty. Effective benefits help employers:

- Enhance compensation tax-efficiently.*
- Provide targeted benefit enhancements that ebb and flow with different generational needs
- Make employees feel rewarded with more value than a one-time bonus (which can be soon forgotten about).

*This is not local, state or federal tax advice as each person and each company is unique. It is recommended that you seek the independent counsel of a professional tax adviser.

BY THE NUMBERS

#1

health insurance is the most valued benefit

LIMRA-EY 2023 WORKFORCE BENEFITS STUDY, 2023

90%

of business leaders believe benefits are critical to recruitment and retention

LIMRA-EY 2023 WORKFORCE BENEFITS STUDY, 2023



TREND #3

Aligning Benefits with Employee Expectations

Increasingly, employers are recognizing that happy, healthy employees are more satisfied, engaged and productive. In fact, research reveals the link between key talent metrics—like loyalty and satisfaction—and demonstrating care across the employee experience.

Employees who feel cared for:

- **Feel appreciated.** They are 92% more likely to be engaged and 56% more likely to be productive at work.⁶
- **Are more likely to stay.** This sense of caring can affect tenure, as those who are cared for are 65% more likely to be loyal.⁷

But there is a growing disconnect between the benefits employers are offering and employee benefits satisfaction. This indicates that for many employers, efforts to expand offerings may not be keeping up with changing employee expectations.

WHAT'S NEXT?

Supporting holistic employee well-being is a win-win, as it's both the right thing to do and good for business.



Whole employee benefits provide:

- More valuable insured coverage to support preventive care as well as routine and everyday medical needs.
- Enhanced access to care with coverage and support for behavioral health, counseling, coaching, and more— including virtual care and telemedicine (support services available with select plans).
- Support for employees experiencing workplace stress (even healthy employees).
- Ongoing reminder of employer appreciation.
- Make employees feel rewarded with more value than a one-time bonus (which can be soon forgotten about).

BY THE NUMBERS

Employees who feel cared for are:

92%

more likely to be engaged

METLIFE, 2023

92%

more likely to be productive

METLIFE, 2023

65%

more likely to be loyal

METLIFE, 2023



TREND #4 Total Rewards



Increasingly, employees view benefits and compensation holistically—and this is especially true for executives and strategic leaders. Not to mention, turnover is costly: in the case of top executives, up to 200 to 400% of annual salary.⁸

With retention a top priority, many businesses are looking at ways of protecting key leaders or difficult-to-recruit talent. Research reveals that:

- **Companies fear talent loss:** 83% of companies surveyed reveal they cannot afford to lose a top executive.⁹
- **Benefits bolster retention:** 93% feel executive benefits have helped to retain top talent.¹⁰

But striking the right balance between cost and coverage can be difficult.

WHAT'S NEXT?

To find that balance, employers are tapping into the power of employer-sponsored supplemental health insurance plans to:

- Tailor benefits to different employee groups—something you cannot do with one-size-fits-all primary plans.
- Provide meaningful compensation value with tax-efficient* benefits.

Throughout 2024, it's important to monitor trends in executive benefits. In addition, with continued pressure to balance health plan costs while also retaining key talent, the right benefits will continue to be crucial to business success.

*This is not local, state or federal tax advice as each person and each company is unique. It is recommended that you seek the independent counsel of a professional tax adviser.

BY THE NUMBERS

83% of companies reveal they cannot afford to lose a top executive
NFP, 2023

93% feel executive benefits have helped to retain top talent
NFP, 2023



TREND #5

Executive Health & Productivity

Employers want to keep talent healthy and productive. But when it comes to leaders, there's an extra level of risk because the stakes are high. Leaders face unique health risks from work-related stress. In fact, according to research, the stress of high-stakes decisions and leading through crisis can shorten leaders' lifespans as well as increase the signs of aging.¹¹

When a health crisis strikes a leader, the trickledown effect can be significant, harming team performance, critical projects, strategic directives and even client relationships.

Plus, primary health insurance plans and common workplace wellness initiatives often fall short of providing the right level of support. Simply put, executive health requires a different approach, with a specialized program designed for their wants and needs.



WHAT'S NEXT?

According to our 19+ years of experience of creating and executing executive health programs, a 360° approach is critical. ArmadaCare's Ultimate Health®, an employer-sponsored supplemental health insurance plan, includes an Executive Physical Program (EP).

Once members get the exam, we can provide navigation to any recommended specialists with our TopDoc Connect® service. Plus, there is coverage to support them on their journey to better health.

Members who take advantage of executive physicals take better care of themselves.¹² This is what it means to provide coverage that our members use and love.

BY THE NUMBERS

Executives who receive an Executive Physical have a:

58%

increase in preventive services

ARMADACARE, 2023

38%

increase in wellness services

ARMADACARE, 2023

INNOVATIVE SUPPLEMENTAL HEALTH INSURANCE BENEFITS DESIGNED TO DELIVER

The right benefits matter more than ever. It's why employers and advisers need a partner who can help them deliver benefit flexibility and support for the whole employee. At ArmadaCare, we bring supplemental health insurance solutions to brokers and employers to help solve common business and workforce challenges.



FINANCIAL HEALTH

- Offer a tax-efficient* boost to compensation.
- Reduce out-of-pocket healthcare expenses.



PHYSICAL HEALTH

- Provide complementary coverage for routine and unexpected expenses.
- Help access the right care, right when it is needed.



EMOTIONAL HEALTH

- Provide mental health and well-being coverage (support services available with select plans).
- Reduce the stigma around caring for mental health.



SOCIAL HEALTH

- Reward performance and keep employees connected and valued.
- Support work/life balance.

¹ Kaiser Family Foundation, 2023

² KFF, 2023

³ LIMRA-EY 2023 Workforce Benefits Study, 2023

⁴ LIMRA-EY, 2023

⁵ LIMRA-EY, 2023

⁶ MetLife, Employee Benefits Trends Survey, 2023

⁷ MetLife, 2023

⁸ NFP's Inaugural Executive Benefits

Trends Study, 2023

⁹ NFP, 2023

¹⁰ NFP, 2023

¹¹ National Bureau of Economic Research, 2021

¹² ArmadaCare, 2023

ABOUT ARMADACARE

A leading insurance program manager, ArmadaCare delivers uncommon health insurance solutions designed to enhance ordinary health benefits. With the steadfast belief that health insurance should be better, ArmadaCare's plans fill voids in coverage for routine and unexpected healthcare expenses, offer valuable health and productivity support services and invite usage with modern conveniences, education touchpoints and people-first service. The result gives our clients the edge they need to retain, recruit and reward talent.

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[ArmadaCare.com](https://www.ArmadaCare.com)



ArmadaCare's supplemental health insurance policies are underwritten by SiriusPoint America Insurance Company and Transamerica Life Insurance Company. Insurance plans and coverages vary by state. Please contact us to confirm state availability.